

No. 6/ 29 /DPM

Jakarta, July 12th, 2004

CIRCULAR LETTER

Subject: Amendment to Bank Indonesia Circular Letter Number 6/1/DPM dated February 16th, 2004 concerning Bank Indonesia Scripless Securities Settlement System

In regard to the improvement of Bank Indonesia – Scripless Securities Settlement System, it is deemed necessary to amend Bank Indonesia Circular Letter Number 6/1/DPM dated February 16th, 2004 concerning Bank Indonesia - Scripless Securities Settlement System, that functions as the regulations for implementation of Bank Indonesia Regulation Number 6/2/PBI/2004 dated February 16th, 2004 concerning Bank Indonesia -- Scripless Securities Settlement System (the State Gazette of the Republic of Indonesia of 2004 Number 15, Appendix to the State Gazette Number 4363), are amended to read as follows:

1. The provision in point III C.2b.2)a) on page 13 are hereby amended so that they read as follows:

“a) “The Information of BI-SSSS Member as exemplified in Appendix 2a shall also include a confirmation sheet from the Paying Bank for fund settlement as the cost for using BI-SSSS as exemplified in format 2 of Appendix 2b.”
2. The provisions in point III D.2 on page 15 are terminated, therefore the provision in point III. D as a whole shall be read as follows:

In the event of a change of data of BI-SSSS Member, the concerning party must submit the changed data to the Administration Manager within the latest of 1 (one) working day before the effective date of change by using BI-SSSS Member Information form as exemplified in Appendix 2a.”

3. The provision

3. The provision in point IV.B.2 on page 22 shall be added with point f that reads as follows:

“f. A Member of Sub-Registry may send data of individual customer position to SCC through Supervisory – Upload Report Data menu.”

4. The provisions in point V.A.1 are hereby amended so that they read as follows:

“1. The appointment of Broker Bidding Limit by Member Bank of BI-SSSS.

- a. Member Bank of BI-SSS may appoint a broker that is a Money Market and Foreign Exchange Brokerage Company and/or Securities Company, to perform bidding of SBI and/or OPT transactions for and on behalf of the concerning Bank.
- b. Member Bank of BI-SSSS may appoint a different Bank, Money Market and Foreign Exchange Brokerage Company and or Securities Company to perform bidding of Government Securities (SUN) auction and/or on behalf of the concerning Bank.
- c. In the event that the Member Bank of BI-SSSS appoints broker as referred to in point a and b, the Bank must establish a daily broker bidding limit for the intended broker.
- d. The establishment of broker bidding limit as referred to in point c shall be governed in a separate agreement between the Bank and the broker whereas the format of the agreement shall be suited to the needs of each party involved.
- e. The establishment of broker bidding limit shall be a transfer of authorization from the Bank to the broker to perform daily bidding in the auction of Securities and/or OPT transaction for and on behalf of the Bank, with the amount that equals to the given amount of bidding limit.

f. Bank

- f. Bank shall manage broker bidding limit in BI-SSSS for all brokers appointed as intermediaries in the bidding of Securities and/or OPT transactions.
 - g. The management of broker bidding limit as referred to in point f shall be conducted by the Bank through ST using the Supervisory – Member Bidding Limit menu.”
5. The provision in point V.A.2 on page 25 are amended so that they read as follows:
- “2. The appointment of Broker Bidding Limit by Sub-Registry
- a. Sub-Registry customer must appoint a Bank, a Money Market and Foreign Exchange Brokerage Company, and/or Securities Company as a broker, to perform bidding of Government Securities.
 - b. In the event that the customer of Sub-Registry has appointed broker as referred to in point a, then Sub-Registry must establish a daily broker bidding limit for the intended broker according to the amount of bidding offer of Government Securities auction on behalf of the customer Bank.
 - c. The establishment of broker bidding limit as referred to in point b shall be governed in a separate agreement between the Sub-Registry representing the customer and the broker, whereas the format of the agreement shall be suited to the needs of each party involved.
 - d. The establishment of broker bidding limit shall be a transfer of authorization from Sub-Registry to the broker to perform daily bidding in the auction of Securities for and on behalf of the customer of Sub-Registry, with the amount that equals to the given amount of bidding limit.

e. Sub-Registry

- e. Sub-Registry shall manage the broker bidding limit in BS-SSSS for all brokers appointed as intermediaries in the bidding offer of Securities for and on behalf of the customers.
 - f. The management of broker bidding limit as referred to in point e shall be conducted by Sub-Registry through ST using the Supervisory – Member Bidding Limit menu.”
6. Appendix 2a and Appendix 2b are hereby amended so that they read as the existing Appendix, and Appendix 2c and Appendix 2d are hereby terminated.
 7. The provisions in points V.C.5.a6)b) on page 43 are amended so that they read as follows:
 - “b) After being 4 (four) hours in the Queuing System, an unmatched transaction and/or has been matched shall be cancelled automatically by the system.”
 8. The provisions in point V.C.5.f on page 53 shall be added with point 9) that read as follows:
 - “9) In the event that Sub-Registry performed transaction pledged settlement of Securities for and on behalf of the customer, Sub Registry must create:
 - a) Letter of Information of Collaterated Securities (LICS) as a written evidence for the customer as the receiver of the collateral; or
 - b) A Letter of Confirmation for the Recorded Securities (LCRS) containing the information about any movement and change of the record keeping of Securities ownership.”
 9. The provisions in point VII.A.6 on page 66 are amended so that they read as follows:
 - “6. The delivery of data and report

Member of Sub-Registry must send a report data on the individual customer’s position and the transaction of Securities between its customers that are not recorded in BI-SSSS, to the Administration Manager cq. Central Registry

through Supervisory-Upload Report Data menu and any other information facilities.”

10. The provisions in VII.A on page 67 are hereby added by point 9 so that read as follows:

“9. Broker bidding limit information

A member of BI-SSSS appointed as a broker may receive information on broker bidding limit received by other members in Database – Member File menu.”

The provisions in this Circular letter shall come into force on July 19, 2004.

For the public to be informed, it is ordered that this Circular Letter be promulgated in the State Gazette of the Republic of Indonesia.

Kindly be informed.

BANK INDONESIA,

Signed

BUDI MULYA

DIRECTOR OF MONETARY MANAGEMENT